Central Intelligence Agency



Washington, D. C. 20505

## DIRECTORATE OF INTELLIGENCE

29 August 1983

IRAQI (	JND	ER	SECF	RETARY	ISMAT	KI	TTANI	'S
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## Summary

Ismat Kittani, one of three under secretaries in the Iraqi Foreign Ministry, will visit Washington beginning about 5 September to seek increased US efforts to bring an end to the war with Iran. Kittani will warn that Iraq will be forced to escalate military activity in the Gulf if the war continues. He will urge the US both to prevent third-country--especially Israeli--sales of US arms to Iran and to encourage increased Gulf state financial support for Iraq.

Kittani will lobby to keep Iraq off the US list of countries supporting terrorism. He will portray Baghdad as part of the moderate Arab camp and minimize its ties with the USSR. His visit also may lay the groundwork for a trip to the US by Iraqi Foreign Minister Tariq Aziz later this year.

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Kittani also will try to move the US to encourage the Saudis and other Gulf Arabs to increase their financial support for Iraq. Baghdad recently has warned the Arab Gulf countries that it soon will escalate the war in the Gulf. Baghdad is using this threat in attempt to extract additional financial aid from its Arab supporters. We believe Iraq also wants the Gulf countries to urge the US and its Western allies to press Iran to come to the negotiating table.

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We believe Iraq will, in fact, step up its attacks in the Gulf if it cannot get sufficient financial aid to cover its foreign exchange shortfall. We project a \$15 billion shortfall this year. Iraq has lined up only \$5 billion in foreign exchange assistance so far and has virtually depleted its foreign exchange reserves. With no other revenue options, Baghdad already has had to make sharp import cuts this year and to defer about \$4 billion in payments.
Sales of US arms to Iraq and Iran
Kittani will argue that the US is not adhering to its professed neutrality in the war because it is acquiescing in black market sales of US arms to Iran, and in third-country salesespecially by Israel. He will argue that such sales are a primary reason Iran is able to continue the war.
Kittani will not accept US claims that it cannot prevent such sales. He is likely to point out that the US has stopped almost all third-country transfers of US arms to Iraq, and may cite US prohibition of transfers from Egypt, Jordan, and Austria.
The US has been successful in preventing most third-country transfers of US arms to Iran. As a result, Tehran has suffered from a chronic shortage of armor and spare parts for its alreaft, forcing it to rely primarily on infantry supported by artillery in its attacks on Iraq. Iran's major arms suppliers are North Korea, Libya, and Syria.
UN Resolution
Kittani probably will press the US to support a UN resolution calling for a ceasefire in the war and imposing sanctions on the partyIranwhich refuses to comply. (S NF)
The US has supported UN ceasefire resolutions on the war but has refused to support sanctions for non-compliance.
Iraqi-US Ties
Kittani will hold out the possibility of improved ties between Iraq and the US after the war ends. He will argue that

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improving ties now would expose Iraq to charges of weakness by Iran and by Iraq's Arab enemies -- Syria and Libya.

remarks by Iraqi officials suggest the leadership has backed away from its previous insistence that the US revise its policies on Arab-Israeli issues as a prerequisite for the restoration of full diplomatic relations.

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Kittani probably will press for economic assistance. He may ask the US to increase the agricultural credits it granted to	
Baghdad this spring and may seek credit guarantees from the Export Import Bank.	25X1
Kittani's discussions of diplomatic and trade ties may be intended to lay the groundwork for a visit later this year by Iraqi Foreign Minister Tariq Aziz. The Iraqi Foreign Minister will attend the upcoming UN General Assembly session and may want to hold discussions with US officials as well.	25X1
Terrorism	
If pressed, Kittani will probably repeat the assurance on terrorism Iraqi Foreign Minister Tariq Aziz gave to a Western diplomat in December 1982: "Iraq does not permit terrorist acts to be conducted from Iraqi territory."	25X1
We believe Iraq has withdrawn its more obvious support for terrorist groups, but that it continues covert support to them.	
Ties with the USSR	
Kittani will downplay Iraq's ties with the Soviets. He will assert that Iraq continues its military dependence on Moscow because the USSR is the only country both willing and able to supply the weapons Iraq needs.	25X1
Although Iraq has diversified its arms purchases since the late 1970s, Moscow remains Baghdad's major arms supplier. Most of the military equipment in Iraq's arsenal is of Soviet origin and the USSR has the largest group of military advisors in Iraqapproximately 1,000.	25 <b>V</b> 1

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Most of Iraq's economic trade, however, is with the West. Iraq imports only about 12 percent of its goods and services from the USSR and the Eastern bloc.	25X1
Iraqi Moderation and the Arab-Israeli Conflict	
Kittani will argue that Iraq accepts the principles embodied in the Fez Peace Plan adopted at the September 1982 Arab League Summit. As a sign of Iraq's moderation in foreign affairs, Kittani will point to Baghdad's good relations with the Gulf states and Jordan and to the recent improvement in its ties with Egypt.	25X1
Once the Iraq-Iran war ends Baghdad will probably again take a harder line toward Israel, but will try to remain within the Arab consensus. Iraq will preserve its economic and political ties with Egypt and the conservative Arabs to counter continuing hostility from Iran and Syria.	25X1

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SUBJECT:	Iraqi Under Secretary Ismat Kittani's Visit to the United States	25X1
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